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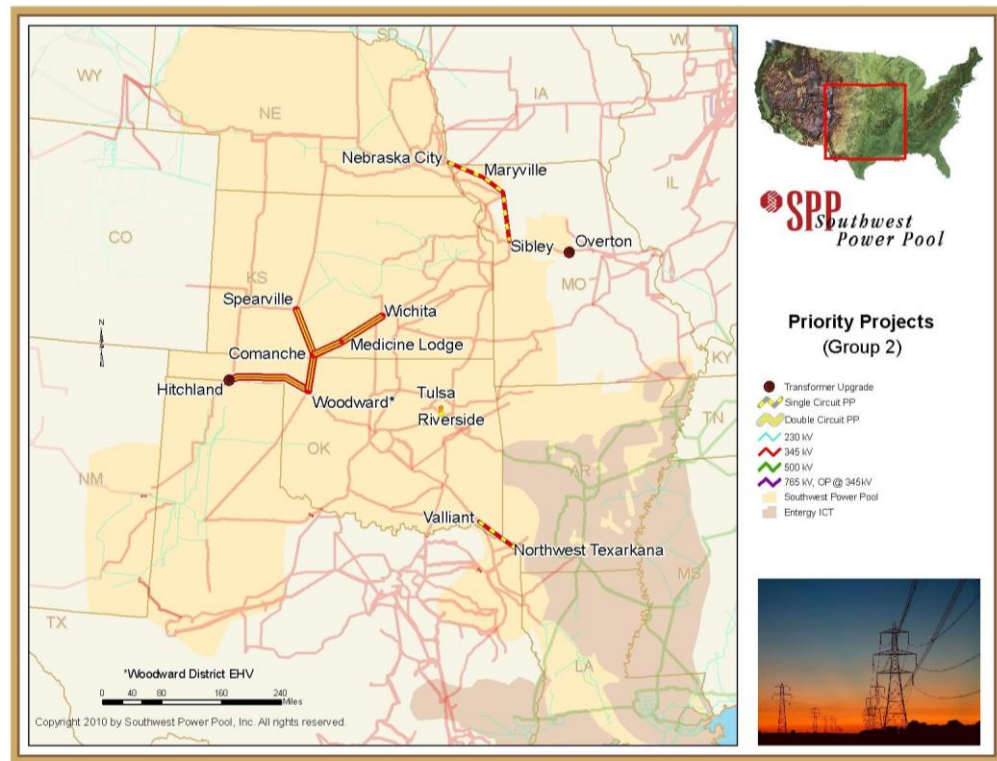
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SPP Approves Construction of New Electric Transmission Infrastructure To Bring \$3.7 Billion in Regional Benefits

April 27, 2010, LITTLE ROCK, ARKANSAS – Today the Southwest Power Pool, Inc. (SPP) Board of Directors and Members Committee approved for construction a group of “priority” high voltage electric transmission projects estimated to bring benefits of at least \$3.7 billion to the SPP region over 40 years. The projects will improve the regional electric grid by reducing congestion on the power lines, better integrating SPP’s east and west regions, improving SPP members’ ability to deliver power to customers, and facilitating the addition of new renewable and non-renewable generation to the electric grid. SPP will issue notices to construct these projects pending successful implementation of its [proposed Highway/Byway cost sharing proposal](#).

“Traditionally, we have built transmission infrastructure in a reactive way – incrementally ‘patching’ the electric grid by building just enough least-cost transmission to keep the lights on,” said SPP President and CEO Nick Brown. “Our members are now shifting to a new vision of enabling transmission. We want to proactively build a robust ‘transmission superhighway’ that will benefit customers not just of one utility, but across the entire region. We need an electric grid that will meet near- and long-term needs, and allow us to better manage many uncertain future scenarios such as carbon policy, varying fuel prices, growth in electricity demand, and state or federal renewable energy standards.”

The following map depicts the approved Priority Projects:



- The double-circuit 345-kV line from Spearville, Kansas; to Comanche County, Kansas; to Medicine Lodge, Kansas; to Wichita, Kansas is projected to cost \$356 million

- The double-circuit 345-kV line from Comanche County, Kansas, to Woodward, Oklahoma is projected to cost \$108 million
- The double-circuit 345-kV line from Woodward, Oklahoma to Hitchland, Texas is projected to cost \$247 million
- The 345-kV line from Nebraska City, Nebraska; to Maryville, Missouri; to Sibley, Missouri is projected to cost \$301 million
- The 345-kV line from Valliant, Oklahoma to Texarkana, Texas is projected to cost \$131 million
- New equipment in Tulsa County, Oklahoma is projected to cost \$840,000

The total cost to engineer and construct these projects is estimated to be \$1.14 billion.

“There are specific times and places in the SPP region where lower-cost energy can’t be delivered to customers because there’s not enough transmission. These new electricity ‘highways’ will allow us to move more power more efficiently,” said SPP Senior Vice President of Engineering and Regulatory Policy Les Dillahunt. “Thousands of temporary and permanent jobs will be created to build and operate the Priority Projects. We also expect new wind farms will be built once transmission is available to pull more wind energy from the Plains to the electric grid, providing additional jobs.”

Studies indicate that these Priority Projects have a benefit to cost ratio of 1.78 for the SPP region. Quantitative benefits were determined based on Priority Projects’ impact on: SPP members’ costs related to grid congestion, sales, and revenues; efficient use of the transmission system; natural gas prices as related to support of renewable wind energy; and previously-identified projects needed to maintain electric reliability that may be advanced, deferred, or added. Qualitative benefits were based on the economic output (jobs, goods and services, new taxes paid by project owners, etc.) from the projects’ construction and operation, and the operation of an additional 3,200,000 kilowatts of wind energy that will be facilitated by construction of Priority Projects. (For more information, see the [SPP Priority Projects Phase II Report, Revision 1.](#))

Other benefits, which were not measured, include but are not limited to: enabling future SPP energy markets; reducing carbon emissions; lowering the amount of generating capacity that must be held in reserve for emergencies; hardening the grid to better withstand storms; and improving operating practices, maintenance schedules, and grid stability.

The transmission owners whose substations connect to the beginning or end of the lines will have the right of first obligation to build the projects. If a transmission owner chooses not to build, SPP’s Open Access Transmission Tariff prescribes the selection process. Entities responsible for construction will then work with their state regulatory commissions when appropriate to obtain the necessary approvals regarding siting and rate recovery.

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Southwest Power Pool, Inc. is a group of 57 members in Arkansas, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, and Texas that serve more than five million customers. Membership is comprised of investor-owned utilities, municipal systems, generation and transmission cooperatives, state authorities, wholesale generators, power marketers, and independent transmission companies. SPP’s footprint includes 29 balancing authorities, 50,575 miles of transmission lines, and 370,000 square miles of service territory. SPP was a founding member of the North American Electric Reliability Corporation in 1968, and was designated by the Federal Energy Regulatory Commission as a Regional Transmission Organization (RTO) in 2004 and a Regional Entity (RE) in 2007. As an RTO, SPP ensures reliable supplies of power, adequate transmission infrastructure, and competitive wholesale prices of electricity. The SPP RE oversees compliance enforcement and reliability standards development. [Read more fast facts](#) or [watch a video](#) about SPP.